



# Wipro Ltd

## Q3FY26



**Wipro Ltd.****Revenue beat expectations, but margin pressure led to weaker profitability and PAT miss.**

CMP* <b>INR 246</b>	Target <b>INR 272</b>	Potential Upside <b>10.6%</b>	Market Cap (INR Mn.) <b>INR 25,76,112</b>	Recommendation <b>ACCUMULATE</b>	Sector <b>Internet Software &amp; Services</b>
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**Result Highlights**

Revenue came in at INR 235,558 mn, up 3.8% QoQ and 5.5% YoY, ahead of our estimate of INR 226,313 mn (+4.1% beat), driven by steady demand traction and improved execution across Europe and APMEA.

EBITDA stood at INR 43,785 mn, down 1.1% QoQ and 4.3% YoY, below our estimate of INR 44,186 mn by 0.9%, as operating leverage was offset by higher employee costs and elevated G&A spends; EBITDA margin declined to 18.6% vs 19.5% in Q2FY26.

PAT stood at INR 31,450 mn, down 3.6% QoQ and 6.6% YoY, below our estimate of INR 31,976 mn (-1.6% miss), impacted by weaker operating performance and higher effective tax outgo; PAT declined sequentially despite stable other income. PAT margin came at 13.2%, down 106 bps QoQ and 179 bps YoY, below our estimate of 14.1%, reflecting operating margin pressure and elevated cost structure.

Geographical mix remained broadly stable sequentially, with Europe (26.7%) and APMEA (11.1%) sustaining growth momentum, while Americas 2 (29.0%) remained soft, weighing on overall topline acceleration.

Segmental mix was steady with BFSI (34.6%) continuing to be the largest contributor, followed by Consumer (18.2%) and Energy, Manufacturing & Resources (16.3%); Health (14.9%) remained resilient amid macro uncertainty.

Voluntary attrition (TTM) moderated to 14.2% vs 14.9% in Q2FY26, marking continued improvement and indicating stabilisation in employee churn.

Headcount increased to 242,021, up 6,529 employees QoQ, while net utilisation (ex-trainees) declined to 83.1% from 86.4% in Q2FY26, reflecting near-term supply addition ahead of revenue ramp-up.

Total TCV stood at USD 3.3 bn, down 28.9% QoQ but up ~8.4% YoY (CC); large deal TCV at USD 0.9 bn declined 69.5% QoQ and 8.4% YoY, indicating lumpiness in deal closures during the quarter.

Client metrics remained under pressure, with total active clients declining to 1,272; the company witnessed losses across most revenue buckets, partially offset by stability in large accounts, keeping top-10 client concentration at 23.7%.

**Outlook:**

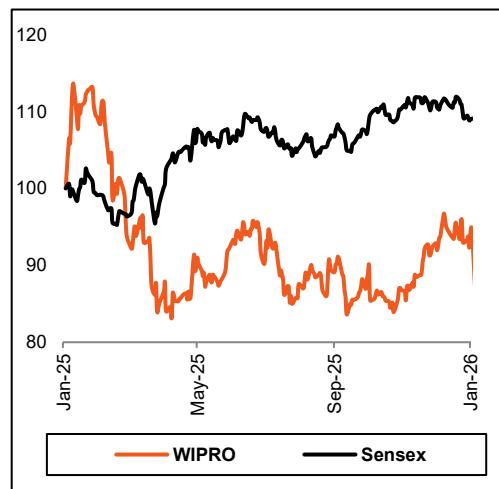
Management expects near-term growth to remain muted, with Q4FY26 IT Services revenue guided at 0–2% QoQ in constant currency, reflecting cautious client spending and deal ramp-up delays. However, improving attrition trends, stabilising demand in Europe and APMEA, and a healthy large-deal pipeline provide support to medium-term recovery, while margins are likely to remain range-bound amid ongoing investments, wage pressures, and utilisation normalisation.

We estimate revenue/earnings CAGR of 3.6%/1.1% over FY25-FY27E. The stock is currently trading at 19.8x FY27E. We value Wipro at a P/E multiple of 20x to Dec'27 EPS. Accordingly, we reiterate our "ACCUMULATE" rating on the stock.

**KEY FINANCIALS**

INR Millions	FY24	FY25	FY26E	FY27E	FY28E
Revenue	8,97,603	8,90,884	9,13,901	9,56,839	10,29,180
EBIT	1,36,099	1,51,271	1,45,674	1,58,442	1,73,522
EBIT Margin	15.2%	17.0%	15.9%	16.6%	16.9%
PAT	1,10,452	1,31,354	1,28,484	1,34,312	1,45,541
EPS	10.6	12.5	12.3	12.8	13.9

Source: Company, DevenChoksey Research

**SHARE PRICE PERFORMANCE****MARKET DATA**

Shares outs (Mn)	10,472
Mkt Cap (INR Mn)	25,76,112
52 Wk H/L (INR)	325/228

\*Based on today's closing

Note: All the market data is as of today's closing

**SHARE HOLDING PATTERN (%)**

Particulars (%)	Dec-25	Sept-25	Jun-25
Promoters	72.6	72.7	72.7
FII	8.2	8.5	8.1
DII	8.4	7.9	7.8
Others	10.8	10.9	11.4
Total	100.0	100.0	100.0

**3.6%****1.1%**Revenue CAGR  
between FY25-27EAdj. PAT CAGR  
between FY25-27E

## Wipro Ltd.

### Concall Highlights

#### Margin Performance and levers

- During Q3 FY26, Wipro reported IT Services revenue of USD 2.64 billion, registering a 1.4% sequential growth in constant currency and a 1.2% QoQ growth in reported terms.
- EBIT margin stood at 17.6%, expanding by 40 bps QoQ over adjusted Q2 levels and improving 10 bps YoY, marking one of the strongest margin performances over the last seven quarters. Margin expansion was driven by operating discipline and improved execution, partially offset by dilution from the HARMAN DTS acquisition.
- Management reiterated its commitment to sustaining margins within the 17.0–17.5% band, while acknowledging near-term pressure from investments in large deal ramp-ups, acquisition integration, and potential wage hikes.

#### Vertical and Geographic Performance

- Growth was broad-based across markets and sectors. Americas grew 1.8% QoQ and 2.8% YoY, led by Healthcare, Consumer, and LATAM, while Americas 2 declined 0.8% QoQ due to delayed ramp-ups. Europe recorded strong 3.3% sequential growth, driven by the ramp-up of the previously announced BFSI mega deal and improving traction in the UK and Western Europe. APMEA grew 1.7% QoQ and 6.6% YoY, supported by India, Middle East, and Southeast Asia.
- At the sector level, BFSI grew 2.6% QoQ, supported by vendor consolidation, cost optimization, and new deal ramp-ups. Healthcare grew 4.2% QoQ, aided by seasonal open enrollment and steady demand across payer and provider segments. Technology & Communications rose 4.2% sequentially, benefiting from large technology client engagements and HARMAN DTS contribution. Consumer showed modest sequential growth but remained weak YoY due to tariff-related uncertainty and delayed SAP program restarts. Energy, Manufacturing & Resources (EMR) declined 4.9% QoQ amid macro uncertainty, tariff issues, and supply-chain disruptions, though management indicated pipeline traction in Energy (Americas, Europe) and Manufacturing (Europe). Capco revenue remained flat YoY, impacted by furloughs.

#### Demand Environment and Deal Wins

- Wipro reported Total Contract Value (TCV) of USD 3.3 billion in Q3 FY26, including USD 871 million in large deals. Demand continued to be driven by cost optimization, vendor consolidation, and AI-led transformation programs.
- While deal conversion cycles remained elongated, management highlighted strong pipeline visibility, particularly in BFSI, Healthcare, and Technology. The previously announced Phoenix BFSI mega deal was fully ramped up and contributed meaningfully to Q3 revenues, while other large deals are expected to ramp up over the next few quarters.

#### Clientele

- Client concentration trends remained mixed. While overall client count continued to moderate, management emphasized stability in large strategic accounts and increased engagement depth through multi-year transformation programs. Clients continue to prioritize fewer strategic vendors, reinforcing Wipro's positioning in vendor consolidation-led opportunities.

#### Employee Headcount and Attrition

- Total headcount increased sequentially, primarily due to the HARMAN DTS acquisition and staffing for large deal ramp-ups, including the Phoenix engagement.
- Attrition declined sequentially and remained stable, reflecting improved employee retention. Management indicated that decisions on wage hikes would be taken in the coming weeks, with an intent to balance employee investments and margin discipline.

#### Notable Deal Wins

- Key deal wins during the quarter included a multi-year transformation engagement with a leading UK-based global education provider to build a secure, AI-enabled operating model using WINGS, and a multi-year engagement with a US-based fitness technology company to support its shift to a subscription-led wellness model using WINGS and WeGA platforms. These wins highlight early-stage client engagement in AI-led transformation and reinforce Wipro's consulting-led positioning.

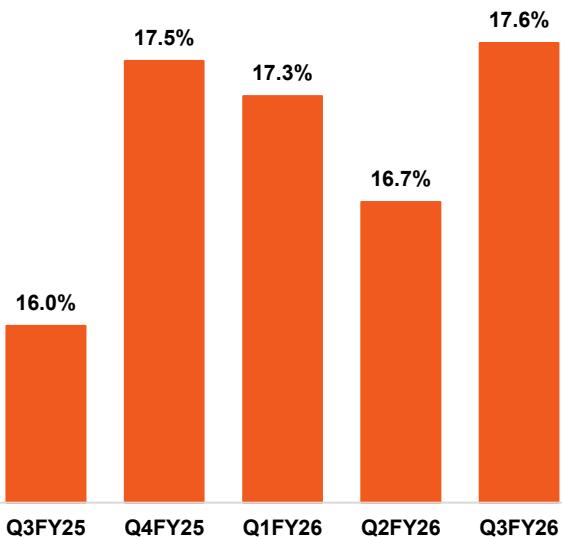
#### AI Strategy and Platforms

- Wipro introduced "Wipro Intelligence", a comprehensive AI-powered platform suite that unifies advanced capabilities across delivery and industry functions. The platform encompasses more than 200 AI agents and solutions spanning multiple verticals, designed to deliver measurable productivity gains and business outcomes.
- Flagship offerings include AutoCortex for the automotive sector, WealthAI for BFSI, and Payer AI for healthcare. The initiative integrates Responsible AI Guardrails to ensure secure and ethical adoption. Wipro continues to invest in AI infrastructure, upskilling programs, and partnerships with academic and industry leaders to strengthen its AI-first positioning.

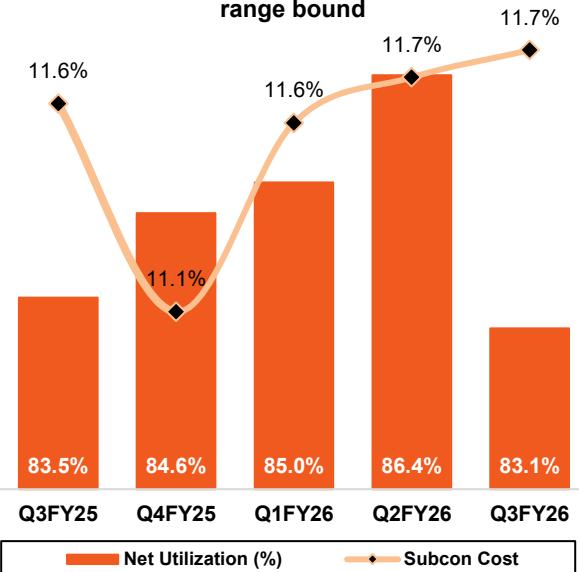
## Wipro Ltd.

### Story in Charts

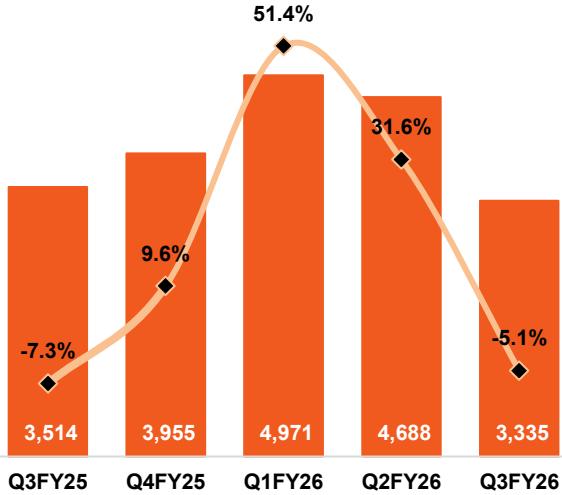
#### IT EBIT Margin (%)



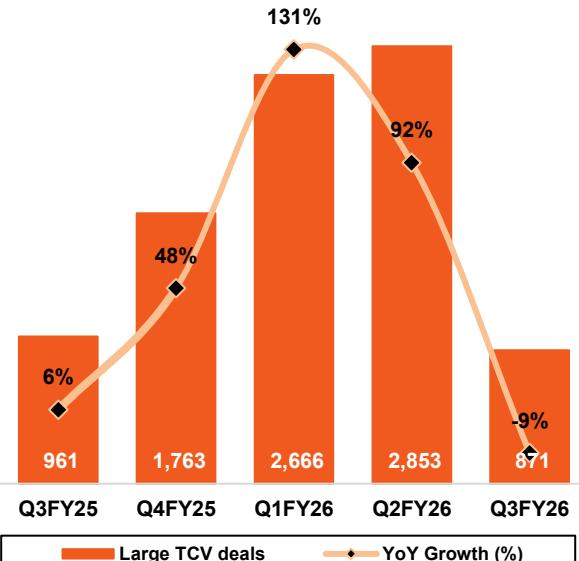
#### Utilizations and Subcontractor Costs have remained range bound



#### TCV deal (USD Mn)



#### Large Deal (USD Mn)



Source: Company, DevenChoksey Research

## Wipro Ltd.

### RESULT SNAPSHOT

Particulars (Mn)	Q3FY26	Q2FY26	Q3FY25	QoQ	YoY
<b>Revenues</b>	<b>2,35,558</b>	<b>2,26,973</b>	<b>2,23,188</b>	<b>3.8%</b>	<b>5.5%</b>
Cost of Revenue	1,59,149	1,53,379	1,47,157	3.8%	8.1%
Sales & Marketing Expenses	15,008	14,920	16,081	0.6%	(6.7%)
General & Administrative Expenses	18,404	14,950	14,629	23.1%	25.8%
Total Expenses	1,91,773	1,82,691	1,77,457	5.0%	8.1%
<b>EBITDA</b>	<b>43,785</b>	<b>44,282</b>	<b>45,731</b>	<b>(1.1%)</b>	<b>(4.3%)</b>
<b>EBITDA margin (%)</b>	<b>18.6%</b>	<b>19.5%</b>	<b>20.5%</b>	<b>-92bps</b>	<b>-190bps</b>
Depreciation, amortization and impairment	8,050	6,917	6,765	16.4%	19.0%
<b>EBIT</b>	<b>35,735</b>	<b>37,365</b>	<b>38,966</b>	<b>(4.4%)</b>	<b>(8.3%)</b>
<b>EBIT margin (%)</b>	<b>15.2%</b>	<b>16.5%</b>	<b>17.5%</b>	<b>-129bps</b>	<b>-229bps</b>
Finance Costs	3,656	3,612	4,146	1.2%	(11.8%)
Other Income	9,232	8,919	9,708	3.5%	(4.9%)
Share of net profit/ (loss) of associates	28	152	5	NM	NM
Profit before tax	41,339	42,824	44,533	(3.5%)	(7.2%)
Income tax expense	9,889	10,200	10,866	(3.0%)	(9.0%)
<b>Net profit</b>	<b>31,450</b>	<b>32,624</b>	<b>33,667</b>	<b>(3.6%)</b>	<b>(6.6%)</b>
<b>Minority Interest</b>	<b>260</b>	<b>162</b>	<b>129</b>	60.5%	101.6%
<b>PAT after MI</b>	<b>31,190</b>	<b>32,462</b>	<b>33,538</b>	<b>(3.9%)</b>	<b>(7.0%)</b>
<b>Net profit margin (%)</b>	<b>13.2%</b>	<b>14.3%</b>	<b>15.0%</b>	<b>-106bps</b>	<b>-179bps</b>
Diluted EPS (INR)	3.0	3.1	3.2	-3.6%	-6.6%

Source: Company, DevenChoksey Research

## Wipro Ltd.

### KEY FINANCIALS

#### Exhibit 1: Profit & Loss Statement

Particulars (INR Mn)	FY25	FY26E	FY27E	FY28E
<b>Revenue</b>	8,90,884	9,13,901	9,56,839	10,29,180
Total operating Expenses	7,10,034	7,38,314	7,65,629	8,22,231
EBITDA	1,80,850	1,75,587	1,91,210	2,06,950
Depreciation	29,579	29,912	32,768	33,428
<b>EBIT</b>	<b>1,51,271</b>	<b>1,45,674</b>	<b>1,58,442</b>	<b>1,73,522</b>
Other income	38,202	37,568	36,000	36,000
Finance costs	14,770	14,476	14,400	14,400
Share of net profit/loss of associates	254	230	0	0
<b>Profit Before Tax</b>	<b>1,74,957</b>	<b>1,68,996</b>	<b>1,80,042</b>	<b>1,95,122</b>
Income tax expense	42,777	39,870	45,011	48,780
Net profit Before MI	1,32,180	1,29,127	1,35,032	1,46,341
Minority Interest	826	643	720	800
<b>Net profit After MI</b>	<b>1,31,354</b>	<b>1,28,484</b>	<b>1,34,312</b>	<b>1,45,541</b>
Diluted EPS (INR)	12.5	12.3	12.8	13.9

#### Exhibit 2: Balance Sheet

INR Millions	FY25E	FY26E	FY27E	FY27E
Equity Capital	20,944	20,944	20,944	20,944
Reserves and Other Equity	8,07,365	8,45,460	8,85,250	9,28,352
Minority Interest	2,138	2,781	3,501	4,301
<b>Total Equity</b>	<b>8,30,447</b>	<b>8,69,185</b>	<b>9,09,695</b>	<b>9,53,597</b>
Long-term Borrowings	63,954	63,954	63,954	63,954
Other Non current liabilities	1,05,866	1,05,866	1,05,866	1,05,866
<b>Total Non-Current Liabilities</b>	<b>1,69,820</b>	<b>1,69,820</b>	<b>1,69,820</b>	<b>1,69,820</b>
Borrowings	97,863	90,000	85,000	80,000
Trade Payables	88,252	91,025	94,393	1,01,371
Lease Liabilities	8,025	8,025	8,025	8,025
Other current liabilities	92,113	92,113	92,113	92,113
<b>Total Current Liabilities</b>	<b>2,86,253</b>	<b>2,81,163</b>	<b>2,79,531</b>	<b>2,81,509</b>
<b>Total Liabilities</b>	<b>12,86,520</b>	<b>13,20,168</b>	<b>13,59,045</b>	<b>14,04,926</b>
PPE and CWIP	80,684	80,930	78,782	77,259
Right of use of Assets	25,598	25,598	25,598	25,598
Goodwill	3,25,014	3,25,014	3,25,014	3,25,014
Intangible Assets	27,450	27,450	27,450	27,450
Other non-current assets	49,999	49,999	49,999	49,999
<b>Total Non-Current Assets</b>	<b>5,08,745</b>	<b>5,08,991</b>	<b>5,06,843</b>	<b>5,05,320</b>
Trade Receivables	1,17,745	1,20,184	1,25,831	1,35,344
Cash and Cash Equivalents	1,21,974	1,13,535	1,20,805	1,28,443
Unearned Revenue	64,280	65,100	68,158	73,311
Other current assets	4,73,776	5,12,358	5,37,408	5,62,508
<b>Total Current Assets</b>	<b>7,77,775</b>	<b>8,11,177</b>	<b>8,52,202</b>	<b>8,99,606</b>
<b>Total Assets</b>	<b>12,86,520</b>	<b>13,20,168</b>	<b>13,59,045</b>	<b>14,04,926</b>

Source: Company, DevenChoksey Research

## Wipro Ltd.

Wipro Ltd.				Rating Legend (Expected over a 12-month period)	
Date	CMP (INR)	TP (INR)	Recommendation	Our Rating	Upside
19-Jan-25	246	272	ACCUMULATE	Buy	More than 15%
17-Oct-25	254	287	ACCUMULATE	Accumulate	5% – 15%
18-Jul-25	260	279	ACCUMULATE	Hold	0 – 5%
17-Apr-25	248	272	ACCUMULATE	Reduce	-5% – 0
21-Jan-25	300	289	REDUCE		
18-Oct-24	275	266	REDUCE	Sell	Less than – 5%
25-Jul-24	250	249	REDUCE		

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